

The City of Los Altos Proposed Parking In-Lieu Program

August 5, 2015

Relevant Issues Identified by the City

City Council formed a City-Wide Parking Committee, February 2015 to:

- Develop a consistent methodology to apply requirements and credits going forward
- Investigate a mechanism to evolve the Parking District
- Analyze how a Parking In-Lieu program could help

City Council adopted Downtown Parking Management Plan Recommendations, Sept. 17 2013

- Seasonal Valet Program
- Construction parking mitigation
- Financing options for additions to the parking supply
- Design work for additional parking supply

Key Assumptions

- It is in the public interest to minimize excess parking where possible, to reduce environmental effects, reduce costs, and help create better, more vibrant communities.
- The private auto will remain the predominant transportation mode for the foreseeable future. Too little parking will result in community and economic negative impacts.

Potential Benefits of Parking In-Lieu Program ("PILP")

"Off-site parking can often have its greatest application in older developed areas where small lots, multiple landowners, and physical constraints...prevent the construction of on-site parking."*

1. **Improved Urban Design Focused on Walkability of Commercial Core:** A key concept in planning for pedestrian commercial districts is to provide a continuous series of storefronts that avoid "dead spaces" that break up the window-shopping experience. By reducing the need for driveways and parking provided along the front of commercial properties, the result is a more effective and economically vital shopping district.
2. **Reduce Total Parking Need via Shared Parking:** As public parking is available for shared use, the number of spaces required is lower than if each individual property must provide its peak parking supply on-site. For instance, restaurants can use a higher proportion of a public parking supply in their peak evening period while commercial properties can use a higher proportion in the afternoon. Participating properties in an In-Lieu district benefit from lower shared parking ratios.
3. **Encourage Equitable Treatment:** An In-Lieu program provides another mechanism for the provision of parking, thereby reducing the need for variances and discretionary exceptions to parking codes. This helps to ensure that all landowners are treated equitably.
4. **Increase Funding for Public Parking Improvements:** Funding accompanies the development that increases the need for such parking, potentially speeding the provision of additional public parking.
5. **Increase Feasibility of Development or Redevelopment of Small Lots:** An In-Lieu program provides an additional, readily available option for developers to address the often difficult issue of meeting parking requirements, thus creating and increasing opportunities for development for small lots. Similar programs already exist in many neighboring communities including Burlingame, Mountain View, Palo Alto, San Jose, and Walnut Creek.

*The North Tahoe Parking Study, dated March 9, 2015

Recent History of Variances and Exceptions to Los Altos Parking Code Requirements

Year	Project	Parking Stalls Not Required
2008:	240 Third Street (Charles Schwab):	30
2010:	1 Main Street (<u>Enchante</u>):	10
2011:	145 First Street (Bumble):	52
2012:	400 Main Street (Cetrella, Pharmaca, Offices):	67
2012:	160 First Street (Safeway):	72
2014:	288 First Street (Voyageur du Temps) :	23
2015:	342 First Street (Draeger's):	<u>35</u>
TOTAL:		289+

If the City had had an In-Lieu program with payments of \$20,000 per stall, the City could have received \$5,780,000 for the above stalls.

Note: variances or exceptions to Los Altos parking code requirements were not given at 40 Main Street (2010-2012), 467 First Street (2013), 129 First Street (2014), and 295 Main Street (2015).

Immediate Opportunities to Increase Public Parking Supply/Reduce Parking Demand

- Restriping and better layouts of the Plazas: 230 stalls
- Ban commercial deliveries in on-street loading zones 11AM-2PM: 5-10 stalls
- Maximize use of curb space: 15-20 stalls
- Lease private EPD spaces and/or seasonal valet (estimate): 200 stalls
- Parking stalls outside EPD for shuttle and seasonal valet (estimate): 200 stalls
- TOTAL: 650-660 stalls

Long-term opportunity to increase public parking supply

- Build a parking garage on Plaza 2 or Plaza 7: 276 stalls

Eight Criteria for a Successful Parking In-Lieu Program

1. Small or irregular shaped parcels making on-site parking difficult? **Yes**
2. Sufficient demand to ensure multiple participants to fund parking in a timely manner? **Probably**
3. Feasible opportunities to provide new public parking within walking distance? **Yes**
4. Would the commercial district benefit from an improved window-shopping pedestrian environment? **Definitely**

Eight Criteria for a Successful Parking In-Lieu Program

5. Active efforts to expand public parking that could be aided by fees? **Yes**
6. Staff resources available to administer the program? **Yes**
7. Other funding sources available to augment In-Lieu fees? **Yes**
8. Would the program make a substantial difference in making redevelopment projects possible? **Yes**

*North Tahoe Parking Study May 11, 2015 Presentation

CONCLUSION:

Create a Parking In-Lieu Program (PILP) for Downtown Los Altos

“Off-site parking often can have its greatest application in older developed areas where small lots, multiple landowners, and physical constraint prevent the construction of on-site parking.”
Flexible Parking Requirements (Thomas P. Smith, 1983).

Recommendation Two: Criteria for Participation in the EPD

- OPD Members should receive 2.86 stall credit for every 1,000 square feet of land for cooperating in and funding the creation of the Parking Plazas.
- An owner of land in the DT Triangle (“PD Eligible”) should be able to join the Expanded Parking District (“EDP”) by paying fees In-Lieu of creating 2.86 stalls per 1,000 square feet of land (net of allowed credits).

Recommendation Three: Parking Supply Credits

Additional Credits that should be granted to OPD Members and PD Eligible landowners:

- .57 on-street stalls per thousand square feet of land
- One stall for any closed curb cut that produces a parking stall
- One stall for every on-site stall made available to the public without restriction
- For on-site stalls that are restricted:
 - $\frac{1}{4}$ credit for personally designated stalls and $\frac{1}{2}$ credit for all other restricted stalls
 - No credit for restricted stalls above what the code requires for the use
 - $\frac{1}{4}$ credit for restricted stalls that are made available for public parking after 5:00 PM weekdays and on weekends and holidays
- Anyone who eliminates a public stall must replace the public stall or pay the parking In-Lieu fee for the stall.
- If PD Member offers a public benefit, the City should develop a way to value it and provide credit for it, possibly including credit in the PILP.

Recommendation Four: Effect of a Change to a More Intensive Use

- If an OPD Member changes to a more intensive use (e.g., retail to restaurant) then no In-Lieu fee should be charged so long as the net square footage of the building (for parking purposes) that is being changed does not exceed 100% of net area for determining parking.
- If an EPD Member changes to a more intensive use (e.g., retail to restaurant) then they should be required to provide additional parking for that more intensive use.

Recommendation Five: Effect of a Change to a Less Intensive Use

No refund should be granted if an OPD or EPD member changes to a less intensive use, but credit stays with the property for potential more intensive future uses.

Recommendation Six: Limitation on use of PILP

Smaller projects should be allowed to provide up to 100% In-Lieu parking, though larger projects may be required to provide a portion of parking on-site.

- For all developments involving lots of 15,000 square feet or less, properties should have unlimited use of the PILP.
- For all developments involving lots greater than 15,000 square feet, In-Lieu fee spaces should only be used for up to 50 percent of the number of required parking spaces over the first 50.

Recommendation Seven: Recommended Fee

Costs of increasing parking supply and/or reducing demand:

- Other solutions (limit hours of on-street loading zones, maximum use of curb space, lease private EPD spaces and/or seasonal valet; parking shuttle to stalls outside EDP): \$1,000+ per stall; estimate: a total of 400+ new parking stalls
- Restriping: \$7,000+ per stall for the creation of 210 to 245 new parking stalls
- New parking garage: estimates for simple additional levels on an existing Parking Plaza range from \$20,000 to \$28,000 per stall for the creation of 276 new parking stalls

Balancing the various costs of increasing the parking supply with the economic feasibility for development, the initial parking in-lieu fee should be set at \$20,000 per stall.

Recommendation Eight: Payment Options

Fees can be collected:

- As a one-time lump sum;
- As a fully amortized (but financed) purchase at \$2,710 per annum for ten years;
- As a “leasing” program at \$1,500 per stall per annum;
- If the Council determines that restaurants should be encouraged, then the leasing option can be offered at \$750 per stall per annum for those properties.

Recommendation Nine: Allowable Uses of Parking Funds

Parking In-Lieu fees should be available only for creating new stalls or decreasing demand through programs such as the following:

- Restriping;
- Construction of a structured garage;
- Leasing of private stalls;
- Shuttles to nearby parking;
- Valet parking;
- Subsidizing car-pooling.

Recommendation Ten: Administration of PILP and Funds

- The PILP should be administered by City Staff.
- Allocation of PILP funds should be subject to a recommendation by a permanent Parking In-Lieu Program Oversight Committee (PILPOC) established for the purpose of making recommendations relating to parking supply in the Downtown.
- The 5 member initial Committee should be composed of 1 representative from: City Council, Chamber of Commerce (who is a DT merchant or commercial property owner), Los Altos Property Owners Downtown, Los Altos Village Association (who is a DT merchant or commercial property owner) and the DT residents.
- This parking committee should also be responsible for recommending and/or reviewing any proposed revisions of the PILP.

Recommendation Eleven: Implementation Schedule

Because of all the options available to increase parking supply and/or reduce parking demand, the PILP should be adopted and implemented immediately.

Recommended timeline for implementation of the PILP:

Within 60 days of the approval of this City Wide Parking Committee recommendation, the City should:

- Verify numbers of Plaza and on-street parking stalls in OPD, numbers of on-street stalls in EPD (excluding OPD), numbers of square feet of land in OPD and in EPD (excluding OPD), and ratios of Plaza and on-street parking stalls per thousand square feet of land in the OPD and on-street parking stalls in the EPD (excluding the OPD):
- Create a separate Parking Reserve Fund (PRF) to hold funds (as well as interest generated by these funds) that is reserved for future provision of parking accessible to the public, or other programs to reduce parking demand:
- Establish initial PILPOC.

Within 6 months, the PILP should be adopted as an ordinance.

Example of Calculation of Parking In-Lieu fee for Property Owner in the OPD

State Street Restaurant/Office (5,000 sf lot)

- First Floor: 4,000 sf restaurant (less 400 sf for lobby, elevator shaft, stairwell, other)
- Second Floor: 5,000 sf Office (less 800 sf for landing, elevator shaft, stairwell, other)
- 4 on-site parking stalls
 - ❖ 2 available for public
 - ❖ 1 for restaurant manager
 - ❖ 1 for takeout
- 2 plaza stalls removed

State Street Example – Calculations:

Stalls required:

- $3.600 \times 8.0 =$ 28.80 For Restaurant
- $4.200 \times 2.0 =$ 8.40 For Office
- Stalls removed = 2.00 Plaza stalls no longer available
- Total Requirement = 39.20

Stall Credits:

- OPD Plaza Credit of $5.000 \times 2.86 =$ 14.30
- On-street Credit of $5.0 \times 0.57 =$ 2.85
- Public stalls created = 2.00
- Restricted stalls created: $1 \times 0.5 =$.50
- Personally restricted stall created: $1 \times 0.25 =$.25
- Closing curb cut & creating 1 on-street stall = 1.00
- Total credit = 20.90

Net parking requirement = 18.30

Parking In-Lieu fee @ \$20,000 = \$366,000 (\$40.67/sf)

Example of Calculation of Parking In-Lieu fee for New Member Joining the EPD

First Street Restaurant/Office (5,000 sf lot)

- First Floor: 4,000 sf restaurant (less 400 sf for lobby, elevator shaft, stairwell, other)
- Second Floor: 5,000 sf Office (less 800 sf for landing, elevator shaft, stairwell, other)
- 4 on-site parking stalls
 - ❖ 2 available for public
 - ❖ 1 for restaurant manager
 - ❖ 1 for takeout
- 2 plaza stalls removed

First Street Example – Calculations:

Stalls required:

- $3.600 \times 8 =$ 28.80 For Restaurant
- $4.20 \times 2.0 =$ 8.40 For Office
- Stalls removed = 0.00 (This is off Plaza)
- Total Requirement = 37.20

Stall Credits:

Join Plaza District=5 x 2.86 =	14.30
On-street Credit of 5.0 x 0.57 =	2.85
Public stalls created =	2.00
Restricted stalls created: 1 x 0.5 =	.50
Personally restricted stall created: 1 x .25 =	.25
Closing curb cut & creating 1 on-street stall =	<u>1.00</u>
Total credit =	20.90

Net parking requirement =	16.30
Parking In-Lieu fee @ \$20,000 =	\$326,000
Fee for Joining PILP 14.3 x \$20,000 =	\$286,000
Total Fee:	\$612,000 (\$68/sf)

Questions/Comments